

Message Text

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L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

COME-00 EB-07 LAB-04 SIL-01 SAJ-01 OMB-01 TRSE-00

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R 021704Z EAR 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9460

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

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AMCONSUL BELFAST

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C O N F I D E N T I A L SECTION 01 OF 02 LONDON 03266

E.O. 11652: GDS

TAGS: UK, ELAB, PINT

SUBJ: "OLIVENKAVALIER" OPENS IN MANCHESTER (WITH
APOLOGIES TO STRAUSS)

REF: LONDON 3126

1. SUMMARY: AS FORECAST. MARGARET THATCHER ADVANCED TO
CENTER STAGE AND PRESENTED OLIVE BRANCH TO THE TUC AND
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AND THE PUBLIC IN ANNUAL MEETING OF CONSERVATIVE TRADE UNIONISTS CONDERENCE IN MANCHESTER, FEBRUARY 28. HER ARIA WAS WELL-SUNG, QREETED WITH HEARTY APPLAUSE, AND SHOULD HELP CONSERVATIVE EFFORT TO CAPTURE VOTERS IN COVENTRY BY-ELECTION. END SUMMARY.

2. AS FORECAST (REFTEL), MARGARET THATCHER PRESENTED OLIVE BRANCH TO TRADE UNIONS IN CONSERVATIVE TRADE UNION-IST CONFERENCE HELD IN MANCHESTER ON FEBRUARY 28. HER BIG "ARIA" BORE TITLE OF "COOPERATION, NOT CONFLICT" AND SHE ATTEMPTED TO COUNTER "MYTH" THAT CONSERVATIVES WERE UNABLE TO WORK WITH TRADE UNIONS.

3. THATCHER MADE MUCH OF FACT THAT APPROXIMATELY 3 MILLION TRADE UNION MEMBERS VOTED CONSERVATIVE IN LAST ELECTION. SHE ALSO REITERATED CALL SHE HAD MADE IN BLACK-POOL SPEECH FOR CONSERVATIVE SUPPORTERS TO BECOME ACTIVE IN UNION WORK. SHE EMPHASIZED THAT CONSERVATIVES BELIEVE STRONGLY IN FPEE, STRONG AND RESPONSIBLE TRADE UNION MOVEMENT. WHILE AT THE SAME TIME, SHE DECRIED POLITICAL USE SOME TRADE UNION MEMBERS MAKE OF THEIR POSITIONS.

4. THATCHER EMPHASIZED THAT CONSERVATIVE PARTY DOES NOT PLAN ANY MAJOR NEW LEGISLATION SUCH AS THE INDUSTRIAL RELATIONS ACT TO REGULATE THE AFFAIRS OF UNIONS. SHE NOTED THAT BOTH LABOR GOVERNMENT (1966-70) AND CONSERVATIVE GOVERNMENT (1970-74) HAD LEARNED MAJOR REFORMS WOULD LEAD TO "MORE DISHARMONY THAN THEY ARE WORTH."

5. AT THE SAME TIME THATCHER SHOWED A CERTAIN AMOUNT OF STEEL IN HER OLIVE BRANCH. SHE SAID THAT CONSERVATIVES WERE NOT IN THE BUSINESS OF HANDING OVER THE GOVERNMENT OF BRITAIN "TO ANY GROUP HOWEVER IMPORTANT, WHICH HAS NOT BEEN ELECTED TO GOVERNMENT". PARLIAMENT IS, SHE SAID, SUPREME, AND TOO MUCH DEFERENCE TO THE VIEWS OF ANY OUTSIDE ORGANIZATION WOULD TAKE BRITAIN DOWN THE PATH TO A CORPORATE STATE IN WHICH GROUPS HOLDING POWERFUL POSITIONS COULD ACT IN CONCERT WITH THE GOVERNMENT OVER THE HEAD OF PARLIAMENT.

6. THATCHER ALSO SAID CONSERVATIVES BELIEVE IN SUPPORT-CONFIDENTIAL

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ING POSTAL BALLOT OR IN SECRET BALLOT HELD ON EMPLOYERS' PREMISES IN EMPLOYERS' TIME. THIS WOULD PERMIT UNION MEMBERS TO PARTICIPATE FULLY IN ELECTION OF UNION OFFICIALS, AND SHE SAID CONSERVATIVES WOULD INTEND TO OFFER GOVERNMENT AID TO COVER COST OF POSTAGE, BALLOT PRINTING AND COUNTING.

7. COMMENT: WITHOUT ATTEMPTING THE KNEE-BREECHES STRAUSS CALLS FOR, MARGARET THATCHER CAME DOWN TO THE FRONT OF THE STAGE IN FRONT OF THE APPRECIATIVE AUDIENCE OF BETWEEN 300 AND 400 TO EXHIBIT THE OLIVE BRANCH BEING OFFERED TO THE TRADE UNIONS. THE SET PIECE PROVIDED HER WITH THE OPPORTUNITY OF DELIVERING A SPEECH WHICH HAD BEEN WELL-PUBLICIZED IN ADVANCE AND WHICH THE AUDIENCE KNEW WAS COMING.

8. HER ARIA HAD BEEN PRECEDED BY JAMES PRIOR, SHADOW SPOKESMAN ON EMPLOYMENT, WHO HAD THUMPED THE DRUM IN ANTICIPATION OF HER COMING AND OF THE MESSAGE. THE NET EFFECT TWO YEARS AFTER HEATH'S DEBACLE WITH THE COAL MINERS WAS A DISTINCT TURN FOR THE TORIES AWAY FROM CONFRONTATION TOWARD A MORE CONCILIATORY RELATIONSHIP

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WITH THE UNIONS.

9. THATCHER'S IMMEDIATE AUDIENCE WAS COMPOSED OF CONSERVATIVE TRADE UNION MEMBERS. MEDIA COVERAGE' HOWEVER, GENERATED A WIDER AUDIENCE OF WHICH THE MOST IMPORTANT WERE THE VOTEES IN THE COVENTRY BY-ELECTION MARCH 4. CONFIDENTIAL

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SERVATIVE CANVASSERS REPORTEDLY ARE STILL MEETING THE QUESTION ON THE DOORSTEP AS TO HOW (OR IF) THE CONSERVATIVES CAN MANAGE TO DEAL WITH THE TRADE UNIONS. WE SHALL HAVE TO WAIT A BIT TO SEE WHETHER THE COVENTRY AUDIENCE WAS REALLY LISTENING.

10. THE ORGANIZATION OF CONSERVATIVE TRADE UNIONISTS HAS BEEN HOLDING CONFERENCES FOR ABOUT 25 YEARS. SOME OBSERVERS NOTED THAT THIS CONFERENCE WAS THE FIRST TO BE ATTENDED BY A LARGE NUMBER OF SITTING MPS AND PROSPECTIVE CANDIDATES. THEIR PRESENCE INDICATES THAT THE PARTY UNDER THATCHER LEADERSHIP IS GENUINELY ATTEMPTING TO CHANGE ITS POPULAR IMAGE.

11. THE CONFERENCE AND THATCHER'S SPEECH SHOW THE PARTY IS TRYING ON TWO LEVELS TO EFFECT THE IMAGE CHANGE. THE FIRST LEVEL IS AN ATTEMPT TO ERASE THE "WHO GOVERNS BRITAIN" CONFONTATION IMAGE OF THE HEATH-LED ELECTION CAMPAIGN TWO YEARS AGO IN FEBRUARY 1974; IN THIS CONNECTION LEADING TORIES ARE QUIETLY MEETING TRADE UNION OFFICIALS, AND CONSERVATIVE MPS ARE BEING ASKED TO CULTIVATE TRADE UNION RELATIONS.

12. AT THE SAME TIME, CONSERVATIVES ARE BEING ENCOURAGED TO BECOME ACTIVE THEMSELVES IN TRADE UNION MATTERS, ATTEND BRANCH MEETINGS, AND DEAL WITH UNION QUESTIONS SUCH AS THE CLOSED SHOP, PAYMENT OF UNION FEES BY DEDUCTION FROM WAGES, ETC. CONSERVATIVES WERE ALSO ENCOURAGED TO STAND FOR POSITIONS IN UNION ORGANIZATIONS OR TO BECOME SHOP STEWARDS (SEVERAL CONFERENCE SPEAKERS WERE INTRODUCED AS SUCH).

13. TRADE UNION OFFICIALS REMAIN SKEPTICAL OF THE CONSERVATIVE INITIATIVE AND SOME ARE HOSTILE, BUT THEY HAVE NOT REJECTED THE OLIVE BRANCH OUTRIGHT. WHETHER THE TWO-PRONGED CONSERVATIVE INITIATIVE WILL RETURN SHORT, AS WELL AS LONG-TERM DIVIDENDS FOR THE PARTY REMAINS TO BE SEEN; THE SELSDON GROUP, A VERY RIGHT-WING CONSERVATIVE GROUP, HAS ALREADY REFERRED TO THE THATCHER SPEECH AS A "SELL-OUT". BUT AT MANCHESTER, THATCHER WAS WELL RECEIVED AND HER WELL-ORCHESTRATED, BALANCED PERFORMANCE
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EARNED HER THE CUSTOMARY FLORAL BOUQUET. THE ONLY THINGS MISSING WERE BARON OCHS AND THE WALTZES.

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*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LABOR RELATIONS, LABOR UNIONS, MEETINGS, UNION GOVERNMENT RELATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LONDON03266
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: n/a
Film Number: D760079-0507
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t197603111/aaaaghjo.tel
Line Count: 247
Locator: TEXT ON MICROFILM, TEXT ON-LINE
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 LONDON 3126
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 24 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 MAR 2004 by MartinML>; APPROVED <03 AUG 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> mcm 970924
Subject: "OLIVENKAVALIER" OPENS IN MANCHESTER (WITH APOLOGIES TO STRAUSS)
TAGS: ELAB, UK, PINT, TUC, (THATCHER, MARGARET)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006